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12 **IN THE UNITED STATES DISTRICT COURT**  
13 **FOR THE DISTRICT OF UTAH**

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15 ERIC SCHIERMEYER, Derivatively on Behalf  
of Nominal Defendant, BLOCKCHAIN GAME  
16 PARTNERS, INC. D/B/A GALA GAMES,

17 Plaintiff,

18 vs.

19 WRIGHT THURSTON and TRUE NORTH  
UNITED INVESTMENTS, LLC,

20 Defendants,

21 and

22 BLOCKCHAIN GAME PARTNERS, INC.  
23 D/B/A GALA GAMES,

24 Nominal Defendant.

**SECOND DECLARATION OF  
JASON BRINK IN SUPPORT OF  
PLAINTIFF ERIC  
SCHIERMEYER'S MOTION FOR  
ORDER FREEZING ASSETS, AN  
ACCOUNTING, PERMITTING  
EXPEDITED DISCOVERY AND  
OTHER ANCILLARY RELIEF**

Case No. 2:23-cv-00589-HCN-DAO

Judge Howard C. Nielson

Magistrate Judge Daphne A. Oberg

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**DECLARATION OF JASON BRINK IN SUPPORT OF PLAINTIFF'S MOTIONS**

**SECOND DECLARATION OF JASON BRINK**

1. I, Jason Brink, am the President of Blockchain for Blockchain Game Partners, Inc., d/b/a Gala Games (“Gala Games”). I have worked for Gala Games since mid-2020. In my role as President of Blockchain, I am familiar with both the day-to-day operations and the overall operations of Gala Games. As such, I have knowledge of the facts set forth herein and could and would testify competently thereto if called upon to do so. I also am familiar with the records of Gala Games, which I consulted in order to determine the information set forth herein, all of which are business records maintained in Gala Games’ files and systems in the ordinary course of business.

2. This is the second declaration I have submitted in this action, and it supplements, and adopts the definitions in, my first declaration.

3. Gala Games maintains a node database that records the name of Gala Node owners, the wallet address into which their node rewards are to be deposited, their email address, their phone number and other information. Attached hereto as **Exhibit A** is a copy of information from the Gala Games node database regarding Wright Thurston.

4. As set forth in the Company’s node database records, the wallet address associated with Wright Thurston’s Gala Nodes is 0xB84B9c91357B0029658064989007A6654868c47F (the “Thurston Node Wallet”). Therefore, when Wright Thurston operates his Gala Nodes, GALA tokens are distributed to the Thurston Node Wallet.

5. Attached hereto as Exhibit B are copies of sample Daily Distribution Reports that I received by email, which show that GALA was distributed to the Thurston Node Wallet when Thurston operated his Gala Nodes, while a separate distribution was made to the Company Central Wallet, 0x381E840F4eBe33d0153e9A312105554594A98C42.

6. There are no Gala Nodes registered to True North United Investments, LLC in the Gala Games node database.

7. As recorded on the Ethereum blockchain, the first distribution of GALA was made on June 19, 2020 (the “Initial Distribution”). The GALA in the Initial Distribution was created under a smart contract on the Ethereum blockchain subject to the ERC-1155 standard (the “ERC-1155 GALA”).

8. According to the Ethereum blockchain records, the Initial Distribution of ERC-1155 GALA was made as follows: 75% of the ERC-1155 GALA was distributed to the Company wallet and 25% of the ERC-1155 GALA was distributed to Gala Node owners based upon their node operation prior to that date. Attached as **Exhibit C** is a spreadsheet reflecting what is recorded on the Ethereum blockchain regarding the Initial Distribution.<sup>1</sup>

9. I understand that prior to the Initial Distribution, both Wright Thurston and Eric Schiermeyer had operated their Gala Nodes. Therefore, a portion of the 25% of the Initial Distribution of ERC-1155 GALA allocated to Gala Node operators was distributed to Mr. Schiermeyer’s wallet and a portion was distributed to the Thurston Wallet.

10. Specifically, as set forth on Exhibit C, as part of the Initial Distribution, a total of **22.739726 billion ERC-1155 GALA** was distributed, including the following:

- **17.0547948 billion** ERC-1155 GALA was distributed to the wallet with the ID 0xf352Fc172b2b4C99fc651Cb85E307885692171e6 (another Company wallet), and the entire amount was then transferred to the Company Central Wallet within hours;

<sup>1</sup> Note that token contracts on the Ethereum blockchain contain a parameter titled “decimals,” which adjusts the placement of the decimal point in any given token amount associated with that contract. Therefore, as GALA tokens use eight as the decimal parameter, the decimal should be moved eight places from the right to arrive at the actual number of tokens in a transaction. Thus, where Exhibit C reflects the transfer of, for example, 17.054 quintillion GALA transferred to the Company, the actual number was 17.054 billion GALA.

- 1           • **2.29351175 billion** ERC-1155 GALA was distributed to Mr.  
2           Schiermeyer’s wallet with the ID  
3           0x5C5F2D6b503fF195cB989cbcf73D92858c491a9; and
- 4           • **1.97356146 billion** ERC-1155 GALA was distributed to the Thurston  
5           Node Wallet.

6           11. The ERC-1155 GALA that was distributed to the Company wallet in the  
7           Initial Distribution (17.0548 billion) was exactly 75% of the total ERC-1155 GALA in  
8           the Initial Distribution (22.7397 billion).

9           12. The fact that Mr. Schiermeyer and Mr. Thurston received different  
10          quantities of ERC-1155 GALA in the Initial Distribution demonstrates that they each  
11          operated their Gala Nodes differently (operating different numbers of nodes at  
12          different times for different durations) prior to the Initial Distribution.

13          13. After the Initial Distribution, the Company elected to replace the ERC-  
14          1155 GALA with tokens that were subject to the ERC-20 standard (“GALA v1”).

15          14. When the Company converted from ERC-1155 GALA to GALA v1, it  
16          did so by dropping GALA v1 into wallets that held ERC-1155 GALA on a one-for-  
17          one basis. This occurred on September 12, 2020 (the “GALA v1 Distribution”).

18          15. Like the transfers in the Initial Distribution, the transfers in the GALA v1  
19          distribution are evidenced on the Ethereum blockchain, which information I have  
20          recorded on the spreadsheet attached as **Exhibit D**.

21          16. As part of the GALA v1 Distribution, 19.9737 billion GALA v1 was  
22          distributed to the Company Central Wallet (0x38...8C42). This figure was higher  
23          than the amount of ERC-1155 GALA in the Initial Distribution because the Company  
24          continued to receive 75% of the daily distribution of ERC-1155 GALA in the three  
25          months between the Initial Distribution and the GALA v1 Distribution (as is  
26          evidenced on the Ethereum blockchain).

27          17. As part of the GALA v1 Distribution, the following transfers were made:  
28

- **2.364668 billion** ERC-20 GALA was distributed to Eric Schiermeyer’s node wallet; and
- **1.973995 billion** ERC-20 GALA was distributed to the Thurston Node Wallet.

18. All of the ERC-1155 and the GALA v1 distributed to Mr. Schiermeyer and Mr. Thurston as part of the Initial Distribution and the GALA v1 Distribution were distributed solely as rewards to these Gala Node owners for operating their Gala Nodes. Mr. Schiermeyer and Mr. Thurston were subject to the same distribution algorithm as every other Gala Node owner operating their Gala Nodes during this time.

19. After the Initial Distribution and the GALA v1 distribution, Mr. Thurston has continued to receive GALA distributions into the Thurston Node Wallet if and when he has operated his Gala Nodes.<sup>2</sup> Similarly, the Company has continued to receive its portion of the daily GALA distribution (previously 75%, now 50%). All such transfers are announced in the Company’s daily distribution report.

20. The 8.6 billion GALA that Mr. Thurston took from the Company Savings Wallets in February 2021 originated from the Company Central Wallet, not the Thurston Node Wallet.

21. I attended meetings with Wright Thurston in 2021 in which Mr. Thurston brought up the subject he called “treasury management,” involving how to take advantage of the GALA that was held in the Company wallets. In these meetings, Thurston suggested that Gala Games should borrow against the Company’s GALA reserve.

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<sup>2</sup> On November 18, 2020, Gala Games implemented and announced a “mint on demand” feature ([Awesome Changes Coming to the Gala Games Platform! | by Gala Games | Medium](#)). After that date, distributions of GALA to Gala Node owners and to the Company consisted of minting allowances and therefore the GALA was not recorded on the Ethereum blockchain unless and until the Node Owner or the Company elected to mint these tokens to chain.

1           22. Gala Games maintains a shared spreadsheet entitled “wallet directory”  
2 which lists the cryptocurrency wallets associated with the Company as well as who  
3 has access to the wallets and the purpose of the wallets. A copy of one of the tabs  
4 from that directory is attached hereto as **Exhibit E**. This lists the “purpose” of each of  
5 the 43 wallets into which Thurston moved the Company’s GALA as “Hold Company  
6 Gala Reserve.”

7           23. In April 2019, I received an email from Jesse Hynes (Gala Games’  
8 general counsel) attaching a draft legal memorandum. A redacted copy of that email  
9 is attached hereto as **Exhibit F**. In his email, Mr. Hynes wrote: “as you’ll note, a  
10 good number of these facts that they were provided with aren’t accurate (including  
11 some big facts).”

12           24. I reviewed the draft legal memorandum and added comments, including  
13 comments regarding factual inaccuracies in the draft, then emailed the document back  
14 to Mr. Hynes. A copy of my email to Mr. Hynes and the attachment with my  
15 comments (with redactions) is attached hereto as **Exhibit G**.

16           25. I was copied on the subsequent email exchange between Mr. Hynes,  
17 outside counsel and others. A redacted copy of that email exchange is attached hereto  
18 as **Exhibit H**.

19           26. I have read and am familiar with Jennifer Miller’s Declaration in support  
20 of Defendants’ opposition to Plaintiff’s Motion to freeze assets.

21           27. In Miller’s Declaration, she states that the “company decided to allocate  
22 7,000 nodes to True North and 7,000 to Schiermeyer.” (J. Miller Decl. ¶ 4.) As set  
23 forth above, Gala Games’ node database shows no Gala Nodes registered to True  
24 North.

25           28. In Miller’s Declaration, she states that “a single wallet was set up to  
26 receive Gala for True North and Schiermeyer’s nodes,” and identifies the wallet  
27 address “0x38...8c42.” (J. Miller Decl. ¶ 5.) However, that is the address of the  
28 Company’s Central Wallet that Gala Games uses for Company GALA, Ethereum and

1 NFTs. The Company Central Wallet has always received the Company's portion of  
 2 the daily distribution of GALA, as recorded in the daily distribution record emailed to  
 3 Thurston and others and on the blockchain. This was true from the Initial Distribution  
 4 onward, as described above.

5 29. If and when Wright Thurston or Eric Schiermeyer operated any of their  
 6 Gala Nodes, they received GALA rewards that were distributed to their respective  
 7 node wallets, as described above, not to the Company Central Wallet.

8 30. Miller declares "On September 11th and 12th, 2020, Gala was initially  
 9 minted to the Ethereum blockchain. This was a bulk mint that distributed Gala to  
 10 wallets based on the mining performed during the prior 14 months. On September 11,  
 11 2020, 1,000,000 Gala were minted to the ERC-20 blockchain pursuant to the contract  
 12 0x15d4c048f83bd7e37d49ea4c83a07267ec4203da to the joint wallet." (J. Miller  
 13 Decl. ¶ 7.) This is incorrect. As set forth above, the September 2020 mint of the  
 14 ERC-20 token was a replacement mint for the initial distribution of ERC-1155 GALA.

15 31. Miller declares "On December 31, 2020, Schiermeyer, or someone at his  
 16 direction, transferred 107,000,000 Gala to his personal wallet  
 17 (0x5C5F2D6b503fF195cB989cbcf73D92858c491a9)." (J. Miller Decl. ¶ 9.) As  
 18 evidenced on the blockchain, four minutes after this transaction was completed,  
 19 another transaction for roughly the same amount was initiated to add liquidity to the  
 20 Uniswap GALA pool.<sup>3</sup> Uniswap is a decentralized exchange protocol built on  
 21 Ethereum that uses automated liquidity pools instead of order books to facilitate token  
 22 trading. The Company occasionally funds such pools to provide liquidity for the  
 23 GALA token. In short, this transaction would have benefitted Gala Games, not Mr.  
 24 Schiermeyer personally.

25 32. Miller declares that "none" of the Company's GALA "was recognized as  
 26 revenue by BGP for the earning of or receiving these 19.6 billion Gala." (J. Miller

27 \_\_\_\_\_  
 28 <sup>3</sup> This transaction can be found here:

<https://etherscan.io/tx/0xb6f354db674b70c82a22cb2ef1c4b0886dff6ce43f86f1cadb199b46d5216fd2>



Decl. ¶ 10.) It is my understanding that, because the receipt of this GALA had no cost basis associated with it, it was not being treated as revenue until it was liquidated.

33. Miller declares that True North and Schiermeyer funded a “Segregated Wallet” with 2,000,000,000 GALA so, “in the event of economic downturn, the project would have funding beyond revenue.” (J. Miller Decl. ¶ 16.) That is not true. This wallet was funded with Company GALA as a separate account devoted to funding game development. This game fund was publicly announced at the time.

34. According to Miller’s Declaration, “by April 15, 2021, there was more than 30,000,000,000 Gala [tokens] in circulation.” This is not correct. The total supply of the token was indeed above 30,000,000,000 but the amount of tokens “in circulation” was significantly lower because the tokens held by the Company are not considered “in circulation.” See 1st Brink Declaration at ¶¶ 19-23.

35. Miller declares that GALA derived from product sales was liquidated “through Jason Brink’s account at crypto exchange Binance.” (J. Miller Decl. ¶ 18.) It is true that for a period of time Gala Games liquidated its GALA at Binance through an account registered to me. This account was set up at the behest of Gala Games and only used for Gala Games transactions and for the benefit of Gala Games, all of which were known by and approved of by Gala Games executives and tracked by the finance department.

I declare, under penalty of perjury of the laws of Utah and of the United States of America, that the foregoing is true and accurate.

Dated: September 13, 2023

DocuSigned by:

Jason Brink

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Jason Brink

President of Blockchain

Blockchain Game Partners, Inc.